

House Bill 1231

By: Representatives Jacobs of the 80th, Geisinger of the 48th, Lindsey of the 54th, Willard of the 49th, Martin of the 47th, and others

A BILL TO BE ENTITLED

AN ACT

To amend Article 4 of Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to county and municipal hospital authorities, so as to enact the "Public Hospital Integrity Act"; to provide for a short title; to provide definitions; to provide that certain individuals shall not serve on a hospital authority board or a nonprofit organization managing a hospital on behalf of a hospital authority; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

This Act shall be known and may be referred to as the "Public Hospital Integrity Act."

SECTION 2.

Article 4 of Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to county and municipal hospital authorities, is amended by adding a new Code section to read as follows:

"31-7-75.4.

(a) As used in this Code section, the term:

(1) 'Governing capacity' means service as a member of a hospital authority or a director of a nonprofit hospital management corporation.

(2) 'Immediate family member' means spouse, parent, sibling, or child.

(3) 'Major vendor of the public hospital' means any person or entity which receives more than \$50,000.00 per year in payments from the public hospital other than for public utilities.

(4) 'Nonprofit hospital management corporation' means a nonprofit corporation qualified as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code created to manage a public hospital under contract with a hospital authority pursuant to Code Section 31-7-74.3 or other applicable laws.

1 (5) 'Public hospital' means a hospital organized under this article by a resolution or
2 ordinance of the governing bodies of two or more counties which receives more than 80
3 percent of its combined revenues from federal, state, and local government.

4 (b) No individual shall be eligible to serve in a governing capacity of a public hospital if
5 that individual or any immediate family member of such individual is an employee or
6 contractor of the public hospital or an employee, director, or contractor of a major vendor
7 of the public hospital.

8 (c) This subsection shall be cumulative to:

9 (1) Any conflict of interest provisions applicable to members of hospital authorities
10 contained in this article;

11 (2) Any conflict of interest provisions applicable to directors of nonprofit corporations
12 contained in Chapter 3 of Title 14, the 'Georgia Nonprofit Corporation Code'; and

13 (3) Any other conflict of interest provisions adopted by the hospital authority or
14 nonprofit hospital management corporation."

15 **SECTION 3.**

16 All laws and parts of laws in conflict with this Act are repealed.